

CONTRACT #16
RFS # 337.10-501

**Department of Labor &
Workforce Development**

Employment Security

VENDOR:
Fairfax Imaging, Inc.



**STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**

**PHIL BREDESEN
GOVERNOR**

**Andrew Johnson Tower
710 James Robertson Pkwy, 8th FLOOR
Nashville, TN 37243-0655
(615) 741-2582**

**JAMES G. NEELEY
COMMISSIONER**

April 17, 2007

M. D. Goetz, Jr., Commissioner
Department of Finance and Administration
State Capitol
Nashville, TN 37243

REF: 33710-501 Non Competitive amendment to Contract

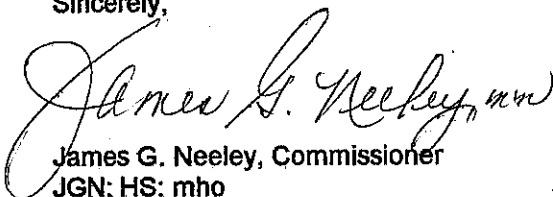
Dear Mr. Goetz:

Outlined below is our justification for a Non Competitive Contract amendment with FairFax Imaging, Inc.
Contract Number FA-06-16967-00:

- 1) The Contractor currently is in the processing of installing the replacement for the Departments Unemployment Insurance document imaging, management, and remittance processing system. Amendment 1 is for the design, development and implementation of the claim center imaging requirements. Since the current contractor is onsite and the claim documents are to be stored in the State's Electronic Content Management system which currently uses the FileNet P8 Version 3.51 they are working with. They have agreed to install the QuickScan Remote Capture and all necessary design, testing, installation and training for \$9,700.00.
- 2) OIR approval is Attached.
- 3) Department of Personnel approval not required.
- 4) We believe it will be more economical and in the best interest of the state to use the current Contractor due to the low dollar amount (\$9,700.00) of the QuickScan system.

Based on the above justification, I am requesting you approval of this non-competitive contract.

Sincerely,


James G. Neeley, Commissioner
JGN: HS: mho

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
337.10-501				FA-06-16967-			
State Agency				State Agency Division			
Labor and Workforce Development				Employment Security			
Contractor Name				Contractor ID # (FEIN or SSN)			
Fairfax Imaging, Inc.				C- or X V- 5417013682-00			
Service Description							
Replacement of Unemployment Insurance document imaging, management, and remittance processing system and monthly hardware, software maintenance. Design, development and implement the claim center imaging requirements.							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
9/20/2006		9/19/2010		Vendor			
Mark Each TRUE Statement							
<input checked="" type="checkbox"/> T Contractor is on STARS				<input checked="" type="checkbox"/> T Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
337.10		00080		See Supp		11	
						210	
						050	
FY	State	Federal		Interdepartmental		Other	
07		\$ 943,511.00				\$ 943,511.00	
08		\$ 99,088.00				\$ 99,088.00	
09		\$ 89,388.00				\$ 89,388.00	
10		\$ 89,388.00				\$ 89,388.00	
11		\$ 89,388.00				\$ 89,388.00	
						\$ -	
TOTAL	\$ -	\$ 1,310,763.00		\$ -		\$ 1,310,763.00	
— COMPLETE FOR AMENDMENTS ONLY —							
State Agency Fiscal Contact & Telephone #							
FY	Base Contract & Prior Amendments	THIS Amendment ONLY		State Agency Budget Officer Approval			
07	\$ 943,511.00			Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)			
08	\$ 89,388.00	\$ 9,700.00					
09	\$ 89,388.00						
10	\$ 89,388.00						
11	\$ 89,388.00						
TOTAL	\$ 1,301,063.00	\$ 9,700.00					
End Date							
Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)							
<input type="checkbox"/> African American		<input type="checkbox"/> Person w/ Disability		<input type="checkbox"/> Hispanic		<input checked="" type="checkbox"/> Small Business	
<input type="checkbox"/> Asian		<input type="checkbox"/> Female		<input type="checkbox"/> Native American		<input type="checkbox"/> NOT disadvantaged	
<input type="checkbox"/> OTHER minority/disadvantaged—							
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)							
<input checked="" type="checkbox"/> RFP		<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method			
<input type="checkbox"/> Non-Competitive Negotiation		<input type="checkbox"/> Negotiation w/ Government (eg.ID,GG,GU)		<input type="checkbox"/> Other			
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							

**AMENDMENT ONE
TO CONTRACT NUMBER FA-06-16967-00**

This Contract, by and between the State of Tennessee, Department of Labor and Workforce Development, hereinafter referred to as the State, and Fairfax Imaging, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete Section C.1. in its entirety and insert the following in its place:

- A.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one million three hundred ten thousand seven hundred sixty three dollars (\$1,310,763.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

2. Delete Section C.3. in its entirety and insert the following in its place:

- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
1. Phase 1 (Requirements Verification) to Phase 4 (Temporary TDIS Installation)	\$235,877.75
2. Phase 5 (Training) to Phase 7 (Acceptance Testing)	\$377,404.40
3. Phase 8 (Remove the old TDIS hardware) to Phase 9 (Final Hardware and Software Install)	\$141,526.65
4. Phase 10 (Production Implementation Period – 90 days)	\$188,702.20
5. Hardware Maintenance , all supplied by Contractor , (Rate per Month)	\$2,503.00
6. Software Maintenance , (Rate per Month)	\$4,946.00
7. QuickScan For Remote Capture	\$3,500.00
8. Professional Services, development, testing, installation, training	\$5,000.00
9. Project Management	\$1,200.00

Phases 1 through 10 are set forth in Attachment 1 (reference RFP Attachment 6.6, Section 1.8)

After each phase milestone has been achieved, the Contractor shall submit invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or

project milestones for the amount stipulated. Maintenance shall be invoiced on a monthly schedule after it has been provided.

3. Add the following as Section A.4. and renumber any subsequent sections as necessary:

A.4. Design, Development, and Implement the Claim center Imaging Requirements:

Claim Center Imaging Requirements - TDLWD needs to process a "Scannable mail claim" for the purpose of entering data into the Bull mainframe to create an initial Unemployment Insurance claim. Furthermore, this claim document is to be stored in the state's Electronic Content Management system which currently uses FileNet P8 version 3.51. It should be indexed by SSN, Claim Date, and form type. The input consists of hand printed information received from claimants onto the claim form. The input from the claim form should be captured from image using intelligent character recognition. This input will be validated against edits that will be further defined during design. In the case where the input fails any of the validation criteria it will be sent to the Quick Key module for Key From Image correction. The output data can be in XML format. There will be additional unstructured document correspondence requiring image capture and FileNet storage but no ICR/OCR is required. The index for these other form types will also be SSN, Claim Date, and form type. The required form type will be a database field with the option to add, change and delete valid form type options.

The other terms and conditions of this CONTRACT not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

FAIRFAX IMAGING, INC.:

Signature

DATE

James J. Everett, VP, Sales and Marketing

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT:

James G. Neeley, Commissioner

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration
Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	337.10-501 (Amendment one)		
2) State Agency Name :	Labor and Workforce Development		
EXISTING CONTRACT INFORMATION			
3) Service Caption :	Replacement of Unemployment Insurance document imaging, management, and remittance processing system and monthly hardware, software maintenance.		
4) Contractor :	Fairfax Imaging, Inc.		
5) Contract #	FA-06-16967-00		
6) Contract Start Date :			09/20/2006
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :			9/30/2011
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :			1,390,451.00
PROPOSED AMENDMENT INFORMATION			
9) <u>Proposed</u> Amendment #			1
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)			7/01/07
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :			09/30/2011
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :			1,400,151.00
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state		
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service		
14) Description of the Proposed Amendment Effects & Any Additional Service :			
The proposed amendment would process Scannable Mail Claims from individuals for the purpose of entering data into the Bull mainframe to create an initial Unemployment Insurance Claim. Furthermore, this claim document will be stored in the state's Electronic content Management system which uses the FileNet P8 version 3.51. The additional service would not delay the current project.			
15) Explanation of Need for the Proposed Amendment :			

Currently the required SSN, Name, etc. is keyed into the system. The Scannable process will eliminate the manual process and will be more efficient, timely and accurate.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

James J. Everett, VP Sales and Marketing, Fairfax Imaging, Inc., 4200-A Technology Court, Chantilly, VA 20151-1214.

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:

☐

Documentation Not Applicable to this Request

☒

Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:

☐

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

None

21) Justification for the Proposed Non-Competitive Amendment :

The current Contractor is in the process of installing the Unemployment Insurance document imaging, management and remittance processing system and can include the Scannable Mail claim function at a very reasonable cost. The contractor will only need to add a QuickScan for Remote Capture and services which include development, testing, installation and training.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

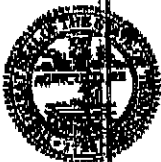


2 April 07

Agency Head Signature

Date

043009

**FAX TRANSMITTAL****to Request OIR Procurement Endorsement**

TO : Jane Chittenden, Director
OIR Procurement & Contract Management **FAX # 741-6164**

FROM : Melvin O'Neal, Coordinator *MAO* **FAX # 741-3002**

DATE : 3/30/07

RFS # 337.10-501 amendment 1

RE : Procurement Endorsement — Claim Center Imaging Requirements

NUMBER OF FAX PAGES (including cover) *10*

The nature and scope of service detailed in the attached service procurement document(s) appears to require Office for Information Resources (OIR) review and support, because the procurement involves information technology or information systems services.

This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of the procurement. If you have any questions or concerns about this matter, please call Todd Buchanan at 741-8981 or Melvin O'Neal at 532-1071.

Please indicate below your response to this proposed procurement, and return this communication at your earliest convenience (note the return FAX number above).

Thank you for your help.

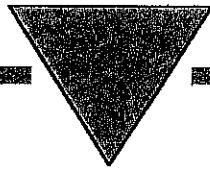
Attachment(s)

OIR Endorsement :

Bill Ezell (g)
OIR Chief Information Officer

4/11/07

Date



A Systems Development and Integration Company

Fairfax Imaging, Inc

Production Problem Report / Change Request Form

Email Request to: support@ffximg.com or Fax to (703) 802-2878

Customer Ref.#

FFXIMG Ref.#

Date submitted:

3/8/2007

**Problem
Summary:**

Claim Center Imaging Requirements - DLWD needs to process a "Scannable mail claim" for the purpose of entering data into the Bull mainframe to create an initial Unemployment Insurance claim. Furthermore, this claim document is to be stored in the state's Electronic Content Management system which currently uses FileNet P8 version 3.5.1. It should be indexed by SSN, Claim Date, and form type. The input consists of hand printed information received from claimants onto the claim form. The input from the claim form should be captured from image using intelligent character recognition. This input will be validated against edits that will be further defined during design. In the case where the input fails any of the validation criteria it will be sent to the Quick Key module for Key From Image correction. The output data can be in XML format. There will be additional unstructured document correspondence requiring image capture and FileNet storage but no ICR/OCR is required. The index for these other form types will also be SSN, Claim Date, and form type. We need form type to be a database field with the option to add, change and delete valid form type options.

**Originator
Name:**

Todd Buchanan

**Originator
Phone Number:**

Company Name

State of Tennessee
Department of Labor and
Workforce Development

Email Address:

Report Type: ☐ Problem ☒ Change Request

Resolution Urgency:

☐ Critical -- Production has stopped

☐ Fix Required -- Minor impact on production

☒ Change Request (☒ Need Quote If applies)

☐ General Help (User or Question)

Problem / Change Request Description:

Provide a summary description and attached additional details including screen captures if feasible.

Impact Statement:

Specify the impact if the problem is not rectified or the change not implemented.

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
337.10-501	FA-06-16967-00
State Agency	State Agency Division
Labor and Workforce Development	Employment Security
Contractor Name	Contractor ID # (FEIN or SSN)
Fairfax Imaging, Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 541701382-00

Service Description

Replacement of Unemployment Insurance document imaging, management, and remittance processing system and monthly hardware, software maintenance.

Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
9/20/2006	9/19/2010	Vendor	

Mark Each TRUE Statement

<input checked="" type="checkbox"/> Contractor is on STARS	<input type="checkbox"/> Contractor's Form W-9 is on file in Accounts
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Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
337.10	00080	See supp.	11	210	050

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
07		\$ 943,511.00	<div style="border: 1px solid black; padding: 5px;"> OCR RELEASED OCT 17 2006 TO ACCOUNTS Copy of original </div>		\$ 943,511.00
08		\$ 89,388.00			\$ 89,388.00
09		\$ 89,388.00			\$ 89,388.00
10		\$ 89,388.00			\$ 89,388.00
11		\$ 89,388.00			\$ 89,388.00
TOTAL	\$ -	\$ 1,301,063.00	\$ -	\$ -	\$ 1,301,063.00

COMPLETE FOR AMENDMENTS ONLY			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Melvin O'Neal 615 532-1070

FY	Base Contract & Prior Amendments	THIS Amendment ONLY	State Agency Budget Officer Approval
			Funding Certification (certification required by I.C.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

TOTAL	\$ -	\$ -	
End Date			

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business	<input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	

Contractor Selection Method (complete for ALL base contracts — N/A to amendments or delegated authorities)

<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg. ID, GG, GU)	<input type="checkbox"/> Other

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

PROCESS

OCT 17 2006

OCT 17 2006

OCT 05 2006

FISCAL SERVICES
NASHVILLE, TN

TDLWD
RECEIVED

SEP 14 2006

FISCAL SERVICES
NASHVILLE, TN